

ANGLO-AMERICAN NEGOTIATIONS ON THE POST-WAR SETTLEMENTS WITH SIAM: A SURVEY

Oleh

NIK ANUAR NIK MAHMUD

SIAM'S submission to Japan on 8 December, 1941 was originally regarded by Britain as an act under duress and she was thus content to consider Siam¹ as a territory under enemy occupation.² The position, however, was altered when the Siamese Government hastily declared war upon Britain and the United States on 25 January 1942.³ From the British point of view, Siam had not only violated the Non-Aggression Pact but had also breached earlier treaties entered into by two countries relating to the sovereignty and integrity of the British territories.⁴ Thus, in accordance with international law and regulations, on 2 February 1942 Britain recognized Siam's declaration of war.⁵ The United States Government, with long-term interests in mind, refused to do so, satisfied to treat Siam as an enemy-occupied country.

This was the first and fundamental divergence of view between Britain and the United States which was profoundly to affect the post-war settlement negotiations between Britain and Siam. Apart from their different responses to Siam's declaration of war, their differences were also due to their varying perceptions of

1 After the outbreak of war, Britain had officially referred to Thailand as Siam. The British's objection to the word "Thailand" was due to its association with an irrendentist programme. However, the United States continued to refer to the country as Thailand.

2 Despite the Japanese-Siamese military alliance on 12 December 1941, Britain had refrained from declaring war against Siam. There were two main reasons for this attitude. Firstly, she believed that the majority of the Siamese people were anti-Japanese, if not pro-Ally, and were "likely to become increasingly anti-Japanese as the Japanese proceed to apply their usual arrogant methods and to infringe their agreement to respect the sovereignty of Siam". Secondly, she felt that a declaration of war might change that trend and would encourage the Siamese to collaborate with Japan. See, British Embassy to the Department of State, 24 December 1941, Foreign Relations of the United States [FRUS]. British Embassy here denotes the British Embassy in Washington.

3 F6089/371 Foreign Office memorandum, 19 December 1944.

4 In return for Siamese collaboration, the Japanese had agreed to give Siam the Northern Malay States [Kelantan, Kedah, Trengganu and Perlis] and the Shan States [Keng Tung and Mongpan]. In accepting this promise and readily declaring war on Britain, Siam had violated the Non-Aggression Pact which had stipulated, in Article 5, the sovereignty and integrity of the British territories. Furthermore, the Anglo-Siamese agreement of 1909 had firmly stated that the Northern Malay States belonged to the British. See, Donald E. Nuechterlein, *Thailand and the Struggle for Southeast Asia*, Cornell University Press, New York 1965, pp. 73-74; Nik Anuar Nik Mahmud, 'Kelantan di bawah Pentadbiran Tentera Jepun Dan Pentadbiran Tentera Thai, 1941-45', *NUSANTARA* 6, Januari, 1981, pp. 13-37.

5 F 6089/371 Foreign Office memorandum, 19 December 1944. Following Britain's example, India, Australia, South Africa, New Zealand, but not Canada, declared war upon Siam.

the future role that Siam would play in post-war Southeast Asia. Britain considered Siam, her nearest neighbour, to be important as far as the security and economic well-being of her territories, Burma and Malaya, were concerned, and this necessitated that Britain impose certain post-war arrangements on Siam.⁶ The United States, on the other hand, envisaged post-war Southeast Asia as a region free from colonialism and economic exploitation. As far as Siam was concerned, the United States wanted to see her as a fore-runner of the new political order for Asia, freed of colonialism⁷ and as a model for the former European colonies. It had been United States policy, as expressed by Hull,⁸ to bring the British policy into line with the interests and viewpoints of the United States. Although Britain agreed to achieve a unity of views with the Americans in certain aspects concerning Southeast Asia, East Asia and the Pacific regions, she found it difficult to be reconciled to the American viewpoint as far as Siam was concerned.^{8a} The divergent viewpoints of the two countries with regard to Siam affected the Anglo-Siam peace settlement negotiations.

Following the defeat of Japan in August 1945, Pridi Banamyong, as regent of Siam, issued a proclamation declaring that the declaration of war upon Britain and the United States null and void, and signifying willingness to return the British territories and pay compensation for damages incurred by the citizens of those countries.⁹

Although Pribi's declaration was welcomed by the British Government, the Secretary of State for Foreign Affairs, Ernest Bevin made it clear that British policy towards Siam would depend on Siam's future action, namely, the outcome of negotiations with Britain for a peace treaty.¹⁰ Ernest Bevin's statement was elaborated in the proposed political and military agreements which were to become the basis for negotiations between Britain and Siam. The proposed political agreement, which was purely a British concern, included Thai measures of repudiation and restitution and steps of post war co-operation in the economic and strategic fields.¹⁰ The proposed military agreement was mainly concerned with Allied

6 For a brief discussion on the British policy towards Siam prior to the outbreak of the Pacific war see, Nik Anuar Nik Mahmud, 'British Policy and Thailand', *JEBAT*, ix, 1979/80; also see, Nik Anuar Nik Mahmud, 'Anglo-Thai Reponse to Japanese threat', *JEBAT*, viii, 1977/78 — 1978/79.

7 *New York Times*, September 15, 1945.

8 For details see, Hull, C., *The Memoirs of Cordell Hull*, vol. II, Hodder and Stoughton Ltd, London, 1948, h. 1601.

8a On post war planning and Anglo-American divergence of attitudes on Siam see, Nik Anuar, Nik Mahmud, 'Post War Planning & Anglo-American Divergence of Attitudes on Siam', *Akademika*, 13, Julai, 1978.

9 F 5521/371, Siam. Summary of Regent's broadcast 16 August 1945; Direck Jayanama, *Siam and World War II*, The Social Science Association of Thailand Press, Bangkok, p. 161.

10 The British Embassy to the Department of State, 20 August, 1945, *FRUS*, Direck Jayanama, *op. cit.*, p. 164.

implications and called for the Siamese to help in disarming the Japanese and in turning them over to Allied authorities. The agreement further called for the release of all Allied prisoners of war and internees, the acceptance of military control over Siam and of an Allied military mission. Siam was to make a free contribution of 1,500,000 tons of rice, and to accept Allied controls over exports of tin, rubber and teak.¹¹

Though the Siamese government was willing to negotiate on the basis of these two agreements, the British had to appreciate the attitude of the United States government. As far as the proposed military agreement was concerned, the United States shared responsibility for this since it was an Allied effort. In its first comment on the draft agreement,¹² the State Department had, in fact, reminded the Foreign Office that "such settlement will not conflict with the viewpoints, viewpoints, interests or policies of the United States, but will on the other hand, Anglo-American unity of action in the Far East".¹³ The Department stressed that:

"Thailand is the only country within the theatre of a combined Anglo-American command with one of the governments represented in the command at war, while the other government is not. It is important therefore that unusual care be exercised by that command in matters which would involve the relationship of those governments with Thailand."¹⁴

The State Department demanded clarification on certain clauses in the proposed agreements which seemed to be vague and dubious in intent. The Department urged the Foreign Office to clarify clause D5 regarding the international

11 *Ibid.*

12 F 6195/371 Washington to FO, 1 September 1945.

13 Summarily, the United States' policy in the Far East, as outlined by the State Department, was as follows:

- 1) to establish a political and economic freedom;
- 2) the elimination of those conditions favouring foreign nationals in the economic sphere;
- 3) co-operation between the new emergent countries;
- 4) to remove the Far East as a source of colonial rivalry and conflict;
- 5) the maintenance of unity in the United Nations in meeting the problem.

For details, see, the State Department's paper, entitled, "An estimate of conditions in Asia and the Pacific at the close of the war in the Far East and the objectives and Policies of the United States." Attached to Acting Secretary of State to Secretary of War, 28 June 1945, *FRUS*. As far as the United States' economic policy towards Siam was concerned, it was based on two principles, namely:

- 1) to favour the restoration of the freedom, independence and sovereignty of Thailand;
- 2) to support the appropriate efforts of the Thai government to make their own decisions with respect to entry into agreements and other commitments on economic matters of international importance.

For details, see, "Memorandum: United State's economic polity towards Thailand", 18 August 1945, *FRUS*.

14 F6195/371 Washington to FO, 1 September 1945.

arrangements for tin and rubber, and hoped that these would be effected under the auspices, or with the approval of, the United Nations or the Economic and Social Council.¹⁵ It hoped that such a commitment would not be made a condition for British recognition of the sovereignty and independence of Thailand. The Department also felt misgiving over the implications of Clauses D2 and D3¹⁶ which envisaged that, if Thai citizens wished to reserve economic, commercial or professional pursuits to their own nationals, they would need British consent so far as British interests were concerned. The Department felt that the British required only non-discriminatory treatment for British nationals, since demands beyond this would infringe Thai sovereignty and economic independence. The Department concurred that Thailand should pay compensation for losses or damages for which she was directly responsible, but urged that Thailand should not be required to pay compensation until the question of reparations was decided. A requirement that Thailand should make compensation at that juncture might seriously intensify the economic ills of the country, given the fact that Thailand was suffering from a serious financial and economic problem arising from hundreds of millions of *bahts*¹⁷ loaned to Japan during the war.¹⁸

On the proposed military agreement, the State Department reiterated that this should be limited to matters of Allied concern against the common enemy and requested that the command should not take any action tending to compromise the position held by the United States that Thailand was not an enemy but a country to be liberated from the enemy.

On the rice levy, the Department expressed its concurrence on the tripartite agreement by Britain, the United States and Thailand to stimulate the production and maximise the export of Thai rice through an Anglo-American commission. The Department, however, asserted that the rice levy was unjust in view of the Thai

15 Clause D5 reads: "Undertake to participate in any general international arrangement regarding tin and rubber."

16 Clause D2 reads: "Undertake to negotiate as soon as practicable a new Treaty of Commerce and Navigation and a Consular and Establishment Convention based on the principles in the following paragraph." Clause D3 reads: Pending the conclusion of the Treaty and Convention referred to in paragraph 2 above, undertake to observe the provisions of the Treaty of Commerce and Navigation signed at Bangkok on the 23rd November, 1937, and, in addition, not to enforce measures excluding British commercial or industrial interests or British professional men from participation in Siamese economy and trade (subject to such exceptions, if any, as may be agreed between the Majesty's Government and the Siamese government) or requiring them to maintain stocks or reserves in excess of normal commercial, shipping, industrial or business practice, provided that if the Treaty or Convention have not been concluded within a period of three years this undertaking shall lapse unless it is prolonged by agreement."

17 *Baht* is Thailand's national currency.

18 According to Blanchard: "Thailand was required to supply the Japanese with baht notes in exchange for yen credits. Under this system enormous sums — totalling 1.5 billion baht — were delivered to the Japanese from 1942 to 1945." See, Wendell Blanchard, *Thailand*, Human Relations Area Files Press, New Haven, 1958, p. 267.

readiness to join the war against Japan and that their deferment of such as action was at the request of the Supreme Allied command and the United States government.¹⁹ It noted additionally that the size of the proposed levy might exceed the amount of Thai rice available for export, that the levy would be prejudicial to American interests in Thailand and that the United States government would not feel free to share the proceeds of the levy.

The Foreign Office made a sharp rejoinder on 5 September that the reason one of the governments in Southeast Asia Command was at war with Siam, while the other was not, was solely because the United States had chosen to ignore Siam's declaration of war.²⁰ While not questioning that decision, the British government could not agree that it entitled the United States government to ask that other governments who were in a state of war with Siam should forego their rights or mitigate the conditions upon which they were prepared to liquidate the state of war. On the contrary, the British government was entitled to ask that the United States would not take any action which would embarrass them or compromise their position as a belligerent ally. They were therefore unable to agree that the actions of the Supreme Allied Commander should be limited to matters of concern affecting the war against Japan.

The British government would give due weight to the Siamese resistance movement but the state of war between Britain and Siam remained to be liquidated and Siam's association with Japan left many practical questions for settlement. The British government reiterated that their attitude towards Siam would depend on the way Siam met their requirements.²¹ The British government did not believe that the conditions might constitute an infringement of the sovereignty and spirit of retaliation for the injury done to allied interests by Siam's association with Japan. But the British government could scarce accept a position in which Siam should profit from that association of in such matter as the export of her commodities during the liberation period, from the needs of countries which had suffered from Japanese aggression. It was British policy to protect the interests of other Allied powers until those powers were in a position to arrive at their own settlement with Siam.

Although the British expressed their desire to meet the United States' views on the matter of rice, they could not bring their views into conformity with those expressed in the State Department's aide memoire. They pointed out that Siam, alone among the warring nations, had accumulated a very large surplus of an

19 Martin argued that Lord Mountbatten had censured the Siamese from staging an uprising against the Japanese in Siam, due to the British design to establish her sovereignty on that country. It should be noted that Siam was brought under the British SEAC in early 1945 from the Chinese theatre of war. See, Martin, "Thai-American Relations in World War II, *The Journal of Asian Studies*, 22, 1963, p. 463 and p. 465.

20 F6195/371 FO to Washington, 5 September 1945.

21 See fn 9.

essential commodity and, if permitted to dispose of its stocks at the high prevailing prices, would come out of the war in a far better financial position than those who had offered greater resistance to the aggressors. The British maintained that a stockpile of 1,500,000 tons of rice already existed in Siam.²² On the matter of compensation, they did not agree that claims should be postponed until the general reparations question relating to Japan was decided. They also gave assurances that they sought no exclusive privileges for British commercial interests.

In mid-September 1945 the Siamese government denounced all political agreements with Japan and, following that, the Siamese military representatives headed by Lt. General Akdi Senanarong arrived in Kandy to negotiate with the Supreme Allied Command for an interim military agreement.²³ At the same time, arrangements were made for the Anglo-Thai talks on the liquidation of war between the two countries. Denning, Political Adviser to Lord Mountbatten, was appointed as Britain's representative. His appointment, however, had given rise to misunderstanding between Britain and the United States. The United States had mistakenly believed that Denning was negotiating on behalf of the Allied command. The situation was further clouded by the allegation that Denning had pressed the Thai representative to accept the agreement within twenty-four hours.²⁴ The State Department intervened and warned the Foreign Office against engaging in any agreement with Siam, except military agreement No. 1, until the remaining points of difference between Britain and the United States were solved.²⁵ Military agreement No. 1 was signed on 8 September 1945 and stipulated the establishment of Allied forces and co-operation with the Siamese government in disarming the Japanese.²⁶ Though Anglo-Siamese talks were taking place in Kandy, the decisive role was played by the Foreign Office and the State Department. The Anglo-American differences were exploited by the Siamese, particularly by Seni Pramoj, who became the Prime Minister on 17 September, to mitigate any heavy demands made by the British.²⁷

22 The Foreign Office made use of Seni Pramoj's promise to offer the Allies 1,500,000 tons of rice as its argument against the United States opposition. Seni Pramoj made this promise in his talks with Bennett at the Foreign Office on 3 September 1945. Bennett minuted that Seni Pramoj remarked: "that there was a stockpile in Siam at present of about one-and-a half million tons." F.O. minutes, 3 September, 1945, F6285/371. See also, Jayanta K. Raj, *Portraits of Thai politics*, Orient Longmans Ltd, New Delhi, India, 1972. p. 169. Seni Pramoj said: "In fact, I had informally agreed to this supply of rice even before I returned to Thailand."

23 F6646/37 Supreme Allied Command, Southeast Asia (SACSEA) to FO, 5 September 1945.

24 F7439/371 Denning (SEASC) to FO, 24 September 1945, F7439; FO to Washington, 25 September 1945.

25 F7439/371 FO to Denning, 26 September 1945.

26 F6989/371 Denning to FO, 9 September 1945.

27 For the brief role played by Seni Pramoj in manipulating the Anglo-American differences, see, Raj, pp. 160–170. See also, Manich Jumsai, *History of Anglo-Thai Relations*, Chalermit Press, Bangkok, 1970. pp. 276–282.

On 26 September,²⁸ the State Department commented on the proposed C1²⁹ which it regarded as sounding like a "protectorate" and might be interpreted as an advance commitment by Thailand to accept the steps which the United States opposed. In its place, the State Department proposed that the clause should be substituted by a proviso that Bangkok should agree to co-operate in relevant international security arrangements under the United Nations.

The British government accordingly explained to the State Department on 5 October the object of C1,³⁰ which was to make it easier to negotiate a regional scheme of defence in world organisation by warning Siam that they would in future be expected to play their part in defence schemes in the area specified. The British were ready to accept the State Department's suggestion as a corollary to, but not in place of, C1. In view of the special concern of Britain with the security of the British territories and of the sea routes adjacent to Siam, the British government thought it important to have a record that recognition by the Siamese government of the importance to defend these territories and sea-routes. The C1 would be retained but C2 would be replaced by a new clause.³¹

On 25 October³² the State Department reiterated to the Office its disapproval of the rice levy and its perturbation the size of the levy was being maintained at 1,500,000 tons. The levy would be burdensome on the Thai economy and would adversely affect the interests of other nations in Thailand. The Department there requested British acceptance of the figure of 780,000 tons or the determination of the exact amount of rice accumulated in Thailand to the rice commission.

The Department was also concerned with the claim situation. It pointed out that it was American policy that no nation be compelled to pay a volume of reparations which, without external aid, would impair its civilian economy. It noted further that the United States was directly concerned with preservation for the Thai people of an adequate standard of living and opportunity for economic progress without dependence on foreign governments for financial aid, and that prompt, orderly stabilization of the Thai economy was essential for stability throughout Southeast Asia.

28 F1505/371 Washington to FO, 26 September 1945.

29 C1 reads: "Recognise that the course of events in the war with Japan demonstrates the importance of Siam to the defence of Burma, Malaya and Indochina and the security of the Indian Ocean and South West Pacific areas."

30 F1504/371 FO to Washington, 5 October 1945.

31 The new clause was drafted as follows: "Agree to collaborate fully in all international security arrangements approved by the United Nations Organisation and its Security Council which might be pertinent to Siam and especially in international security arrangements as may relate to the countries or areas specified in the preceding clause."

32 F9034/371 Washington to FO, 25 October 1945.

The state Department was doubtful that Thailand could meet all claims for compensation and, in addition, finance the rice levy. It suggested the formation of an allied claims commission to deal with claims and compensations. It also suggested that the rice levy be recognised as constituting reparations in kind.

On 12 November,³³ the Foreign Office replied that, under the proposed plans, the rice levy would only come from accumulated stocks and that it did not constitute reparations but rather "a special measure of reconciliation". The British stated that an allied claims commission was unnecessary. Furthermore, it was inappropriate for any state not at war with a country to be associated in determining its capacity to pay reparations or in deciding the equitable distribution of claims.

The State Department, on 29 November,³⁴ expressed deep concern at the British view that the United States might not properly be associated with the British government in determining Thai capacity to pay compensation for damages to Allied property and that the claims of the United States and other Allies not at war with Thailand must be subordinated to those of belligerent countries. It stressed that Thailand was in an Allied theatre, under combined Anglo-American command, which meant that the United States was on the same footing as Britain. It also dismissed the Foreign Office proposal that the rice levy was not reparations but a special measure of reconciliation. It reiterated that the rice levy would affect the economy of Thailand and its ability to pay Allied claims.

The Foreign Office, on 10 December,³⁵ agreed to give the United States an equal footing in an Allied claims commission and was ready to reconsider the questions of rice contribution and allied claims with the United States. It also stated that the rice contribution would not be used to settle claims against Siam.

The State Department, however, continued to remain dissatisfied and continued to press for the exclusion of the rice levy or agreement to an impartial determination of the amount of surplus stocks in Thailand.³⁶ The Department also would not acquiesce in CI, maintaining it still had the appearance of a protectorate. It had also warned that, if the British failed to consider its proposals, the United States would establish diplomatic relations with Thailand prior to the Anglo-Thai termination of war.³⁷

33 British Embassy to Department of State, 12 November 1945, FRUS.

34 Department of State to British Embassy, 29 November 1945, FRUS.

35 British Embassy to the Department of State, 10 December 1945, FRUS.

36 Acting Secretary of State to Winant, 13 December 1945, FRUS.

37 Acting Secretary of State to Winant, 17 December 1945, FRUS.

The Foreign Office had also to reckon with the Siamese government's stubbornness and with international pressure. The Siamese representative, with the approval of the State Department, had refused to sign the agreement until certain clauses were critically examined and agreed upon, not only by the Siamese government but also by the United States.³⁸ Furthermore, the American press had played havoc with the occasion, alleging that Britain was trying to impose economic control over Siam.³⁹ The alleged news had created a furore in the United States and, at one point, led Congressmen to hold up a proposed multi-billion dollars loan to Britain.⁴⁰

Thus, probably to achieve Anglo-American unity in the Far East and to avoid any unnecessary delays, the Foreign Office agreed to revise some of the terms of the agreement. On 18 December⁴¹ it informed the State Department that the amount of the rice levy would be determined by the proposed United States-United Kingdom Commission. On 21 December, the Foreign Office agreed to link Clauses C1 and C2.⁴²

With the State Department's concurrence, Siam signed a peace treaty, completely in modified form, with Britain at Singapore on 1 January 1946. Among the major points of the treaty were:

"Siam would return the Malay and Burmese territories acquired during the war, would turn over free one and a half million tons of rice to the United Kingdom would not build a Canal across the Kra Isthmus without British approval, and would sell rubber, tin, rice and tea in accordance with prices fixed by International Committee. In return, Britain and India agreed to support Siam's membership in the United Nations."⁴³

38 For details see, Raj, *op. cit.*, pp. 167–168.

39 *Ibid.*, p. 169. Also mentioned in Neuchterlein, *op. cit.*, p. 87.

40 Darling, F, *Thailand and the United States*, Public Affairs Press, Washington, 1965. p. 43; Raj, *op. cit.*, p. 167.

41 Dominion Office to Dominion Governments, 20 December 1945, F9926.

42 Dominion Office to Dominion Government, 21 December 1945, F9926.

43 See, Nuechterlein, *op. cit.*, p. 308. For the Peace Agreement between Britain and Siam, see appendix.

Appendix The Peace Agreement with Siam

WHEREAS by a Proclamation made in Bangkok on August 16th 1945 the Regent of Siam did, in the name of His Majesty the King of Siam, proclaim the declaration of war made by Siam on January 25th 1942 against the United Kingdom as null and void in that it was made contrary to the will of the Siamese people and in violation of the constitution and laws of Siam, and

WHEREAS the Proclamation of August 16th 1945 aforesaid was the same day unanimously approved by the National Assembly of Siam, and

WHEREAS the Siamese Government have repudiated the Alliance entered into by Siam with Japan on December 21st 1941 together with all other Treaties, Pacts or Agreements concluded between Siam and Japan, and

WHEREAS the Siamese Government are anxious to play their full part in mitigating the effects of the war, particularly in such measures as may be designed to assist in the restoration of international security and general economic welfare, and

WHEREAS the Government of the United Kingdom and the Government of India, in consideration of the acts of repudiation already carried out by the Siamese Government, and not mindful of the services rendered by the resistance movement in Siam during the war with Japan, desire to bring the state of war to an immediate end,

NOW THEREFORE the Government of the United Kingdom and the Government of India on one hand and the Siamese Government on the other, being desirous of renewing the relations of close friendship which existed before the war, have resolved to conclude an agreement for these purposes and have accordingly appointed as their plenipotentiaries:

Government of the United Kingdom of Great Britain and Northern Ireland :

Mr. M.E. Denning, C.M.G., O.B.E.

Government of India:

Mr. M.S. Aney.

Siamese Government:

His Serene Highness Prince Viwatchai Chaiyant.

Lieut. General Phya Abhai Songgram,

Nai Serm Vinichchayakul.

WHO, having communicated their full powers, found in good and due form, have agreed as follows:

RESTITUTION AND READJUSTMENT

ARTICLE ONE

The Siamese Government agree to repudiate all measures pursuant to the above-mentioned declaration of war made on January 25th 1942, and to take the necessary legislative and administrative measures to give effect to that repudiation.

ARTICLE TWO

The Siamese Government declare as null and void all purported acquisitions of British territory made by Siam later than December 7th 1941, as well as all titles, rights, properties and interests acquired in such territory since that date either by the Siamese state or by Siamese subjects. The Siamese government agree to take the necessary legislative measures to give effect to the fore-going declaration and in particular

- (a) to repeal and declare null and void *ah initio* all legislative and administrative measures relating to the purported annexation by, or incorporating in, Siam of British territories effected after December 7th 1941,
- (b) to withdraw as may be required by the competent civil or military authority all Siamese military personnel from all such British territory and all Siamese officials and nationals who entered these territories after their purported annexation by, or incorporation in Siam,
- (c) to restore all property taken away from these territories including currency except to the extent to which it can be established that fair value has been given in exchange.

- (d) to compensate loss or damage to property, rights and interests in these territories arising out of the occupation on these territories by Siam.
- (e) to redeem in sterling out of former sterling reserves current Siamese notes collected by the British territories in British territory occupied by Siam since December 7th 1981.

ARTICLE THREE

The Siamese Government agree to assume responsibility for safeguarding maintaining and restoring unimpaired, British property, rights and interests of all kinds in Siam and for payment of compensation for losses or damage sustained. The term "property, rights and interests" shall include *inter alia* the official property of the Government of the United Kingdom and of the Government of India, property whose ownership has been transferred since the outbreak of war, pensions granted to British nationals, stocks of tin, teak and other commodities, shipping and wharves, and tin, teak and other leases and concessions granted to British firms and individuals prior to December 7th 1941, and still valid at that date.

ARTICLE FOUR

The Siamese Government agree to desegregate British banking and commercial concerns and permit them to resume business.

ARTICLE FIVE

The Siamese Government agree to accept liability, with the addition of interests, at an appropriate percentage, in respect of payments in arrears, for the salaries of loans and for payment of pensions in full since the date when regular payment ceased.

SECURITY

ARTICLE SIX

The Siamese Government recognise that the course of events in the war with Japan demonstrates the importance of Siam to the defence of Malaya, Burma, India and Indochina and the security of the Indian Ocean and South West Pacific areas and the Siamese Government agree to collaborate fully in all international security arrangements approved by the United Nations Organisation or its Security Council which may be pertinent to Siam and especially such international security arrangements as may be related to those countries or areas.

ARTICLE SEVEN

The Siamese Government undertake that no canal linking the Indian Ocean and the Gulf of Siam shall be cut across the Siamese territory without the prior concurrence of the Government of the United Kingdom.

COMMERCIAL AND ECONOMIC COLLABORATION

ARTICLE EIGHT

The Siamese Government agree to take all possible measures to re-establish import and export trade between Siam on the one hand and neighbouring British territories on the other, and to adopt and maintain a good neighbourly policy in regard to coastal shipping.

ARTICLE NINE

The Siamese Government undertake to negotiate with the Government of the United Kingdom as soon as possible a new Treaty of Establishment, Commerce and Navigation and a Consular Convention based on the reciprocal of the principles in Article Eleven below.

ARTICLE TEN

The Siamese Government undertake to negotiate with the Government of India as soon as practicable a new Treaty of Commerce and Navigation based on the reciprocal application of the principles in the following Article.

ARTICLE ELEVEN

(1) Pending the conclusion of the Treaties and Convention referred to in Article Nine and Ten above and subject to paragraph (2) of this Article, the Siamese Government undertake to observe the provisions of the Treaty of Commerce and Navigation signed at Bangkok on November 23rd 1937, and further undertake, except where the Treaty specifically authorises such action, not to enforce any measures excluding British commercial or industrial interests or British professional men on grounds of nationality from participation in Siamese economy and trade, or any measures requiring them to maintain stocks or reserves in excess of normal commercial, shipping industrial or business practice.

(2) The above-mentioned undertakings of the Siamese Government (a) shall be subject

to such exceptions, if any, as may at any time be agreed to between the Government of the United Kingdom or the Government of India, as the case may be, and the Siamese Government ; (b) shall, unless prolonged by agreement, lapse if the Treaties and Conventions referred to in Articles Nine and Ten have not been concluded within a period of three years from the coming into forces of this agreement.

(3) Nothing in this Article shall be deemed to preclude the grant of equally favourable treatment to nationals and enterprises of any or all other United Nations.

ARTICLE TWELVE

The Siamese Government undertake to participate in any general international arrangement regarding tin or rubber which conforms with principles regarding commodity arrangements as may be agreed by the United Nations Organisations or its Economic and Social Council.

ARTICLE THIRTEEN

Until a date or dates not later than September 1st 1947 the Siamese Government undertake to prohibit, except in accordance with the recommendations of the Combined Boards in Washington, and any successor's body, and in the case of rice, under the direction of a special Organisation to be set up for the purpose, any exports of rice, tin, rubber and tea and to regulate trade and stimulate production of these commodities.

ARTICLE FOURTEEN

The Siamese Government undertake to make available free of at Bangkok to an organisation to be indicated by the Government of the United Kingdom and as quickly as may be compatible with the retention of supplies adequate for Siamese internal needs, a quantity of rice equal to the accumulated surplus of rice at present existing in Siam, subject to a maximum of one and a half million tons, or if so agreed the equivalent quantity of paddy or loonzain. It is agreed that the exact amount of rice made available under this Article shall be determined by the organisation above-mentioned and that the rice, paddy or loonzain delivered under two Article shall conform to the agreed standards of quality to be determined by the same authorities.

ARTICLE FIFTEEN

Until a date not later than September 1st 1947 the Siamese Government agree to make available to the rice organisation mentioned in Article Thirteen and Article Fourteen all rice surplus to the internal needs of Siam. Such rice, with the exception of rice delivered free in accordance with the undertaking given in Article Fourteen, will be supplied in such manner as the special organisation mentioned in Article Thirteen and Article Fourteen shall indicate, and at prices fixed in agreement with it, having regard to the controlled prices of rice in other Asiatic rice-exporting areas.

CIVIL AVIATION

ARTICLE SIXTEEN

The Siamese Government shall accord to the civil air services of the British Commonwealth of Nations, by means of agreements to be negotiated with the Governments of members of the British Commonwealth of Nations, treatment in regard to establishment, maintenance and operation of regular air services not less favourable than that accorded to Imperial Airways by the notes exchanged at Bangkok on December 3rd 1937.

WAR GRAVES

ARTICLE SEVENTEEN

The Siamese Government undertake to enter an agreement with the Government of the United Kingdom and the Government of India for the mutual upkeep of war graves, with a view to the permanent establishment and future care of British and Indian graves and of Siamese war graves in their respective territories.

MISCELLANEOUS

ARTICLE EIGHTEEN

The Siamese Government undertake to enter an agreement with the Government of the United Kingdom and Siam and India and Siam as may respectively be specified by the Government of the United Kingdom and the Government of India, subject to any modifications the Government of the United Kingdom or the Government of India may indicate, and to regard as abrogated any such treaties not so specified.

ARTICLE NINETEEN

The Siamese Government agree to regard as being in force between the United Kingdom

and Siam and between India and Siam all multilateral treaties, conventions or agreements concluded prior to December 7th 1941 (a) to which Siam and the United Kingdom or India, as the case may be, were then and still are parties; (b) to which Siam has not become a party and which shall be notified to the Siamese Government by the Government of the United Kingdom and the Government of India. On the receipt of such notification the Siamese Government shall immediately take the necessary steps in accordance with the provisions of any such treaty, . . . conventions or agreement to which Siam is not a contracting party, to accede thereto, or if accession is not possible, shall give effect to the provisions thereof in respect of the United Kingdom or India, as the case may be, by such legislative or administrative means as may be appropriate. The Siamese Government agree also to accept any modifications as thereto which may have come into effect in accordance with the terms of such instruments since that date.

ARTICLE TWENTY

Pending admission to any international organisation set up since December 7th 1941, being an organisation of which the United Kingdom or India is a member, the Siamese Government agree to carry out any obligations arising out of, or in connection with, any such organisation or the instrument constituting it, as may at any time be specified by the Government of the United Kingdom or the Government of India, as the case may be.

ARTICLE TWENTY-ONE

In consideration of the above undertakings made by the Siamese Government, the Government of the United Kingdom and the Government of India agree to regard the state of war as terminated and to proceed at once to the resumption of friendly relations with Siam and to exchange diplomatic representatives.

ARTICLE TWENTY-TWO

The Government of the United Kingdom and the Government of India also undertake to support Siam's candidature for membership of the United Kingdoms.

DEFINITIONS AND DATE OF ENTRY INTO FORCE OF AGREEMENT

ARTICLE TWENTY-THREE

It is agreed by the contracting parties that the term "British" in this agreement.

(1) when applied to physical persons shall mean all subjects of His Majesty the King of Great Britain, Ireland and the British Dominions beyond the seas, Emperor of India, and all persons under His Majesty's protection;

(2) when applied to territory shall mean any territory under His Majesty's sovereignty, suzerainty, protection or mandate, as the case may be;

(3) when applied to legal persons, shall mean all legal persons deriving their status as such from the law in force in any such territory; and

(4) when applied to property, rights or interests shall mean the property, rights or interests of persons specified under (1) or (3) above, as the case may be.

ARTICLE TWENTY-FOUR

This Agreement shall enter into force as from to-day's date.

IN WITNESS WHEREOF the undersigned have signed the present agreement and have fixed thereto their seals.

Done in triplicate Singapore this first day of January in the nineteen hundred and forty-sixth year of the Christian Era, corresponding to the two thousand four hundred and eighty-ninth year of the Buddhist Era, in the English Language.

Source: Mr. E.F.M. Butler (FO) to H. Palmer (CO), 17 July, 1946 F1147.